
VILLAGE OF WESTON, WI Strategic Planning Workshop

“Total Rewards Management System”

Carlson Dettmann Consulting, LLC
Charles E. Carlson, Consultant

June 29, 2015

This Study Is Comprehensive

- **Covers 32 Village employees**
- **Base payroll > \$1.5 million**
- **Average annual salary approx.
\$50,000**



What is TRMS[©]?

- Carlson Dettmann method in 10 steps
- Measures all of the major components of total compensation
- So an organization can operate
- Consistent with its strategic objectives

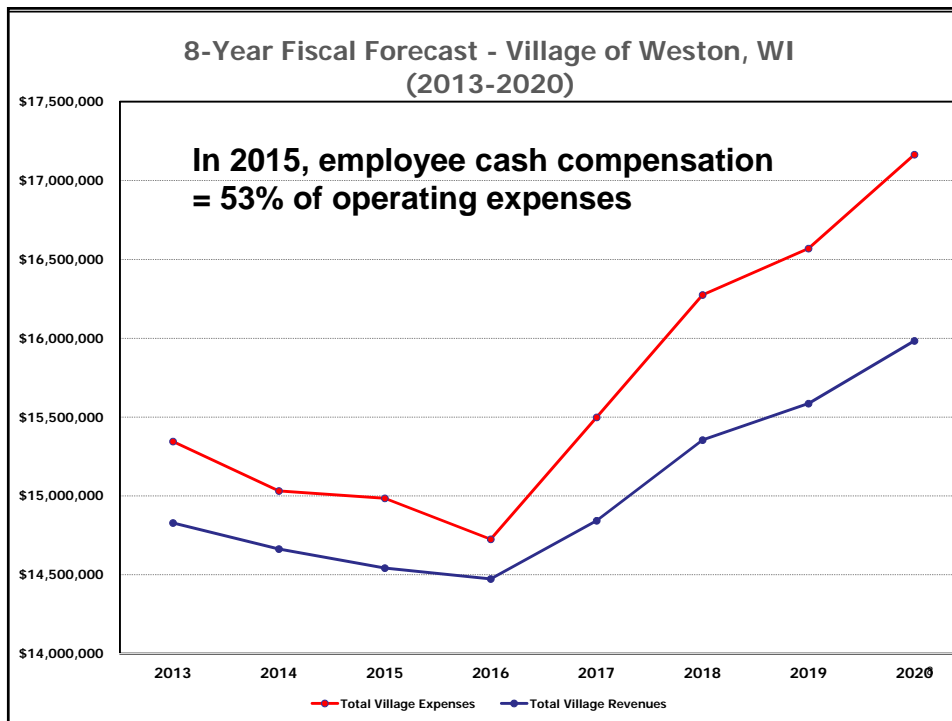
Ten Steps of TRMS®

- 1. Define total awards policies aligned with strategic objectives**
- 2. Measure employee engagement and satisfaction**
- 3. Inventory current rewards and identify gaps**
- 4. Document all jobs accurately**
- 5. Measure and validate internal equity**

Ten Steps of TRMS® ...

- 6. Measure external competitiveness**
- 7. Manage benefits from a total rewards perspective**
- 8. Develop an appropriate pay plan**
- 9. Emphasize employee development**
- 10. Communicate all compensation policies effectively**

VILLAGE OF WESTON STRATEGY MAP PART 5: GOAL STRATEGY			
	GOALS	#	GOAL STRATEGIES
Finances	Improve the financial position of the Village, while delivering ROI to our taxpayers.	1-1.	Improve the financial position of the Village through legislative advocacy.
		1-2.	Investigate opportunities for increased collaboration with other institutions and agencies.
		1-3.	Implement new strategies to retain a balanced budget.
Employees	Improve the Village government's organizational capacity, resilience, and public services.	2-1.	Implement system of continuous improvement to gain efficiencies and improve effectiveness.
		2-2.	Perform program evaluations and develop outcome based performance measurement systems.
		2-3.	Expand investments in employee development and engagement within the organization.
Process	Contribute to the sustainable long-term economic, social, and environmental health of the community.	3-1.	Implement initiatives that contribute to the economic health of the Village and its' residents.
		3-2.	Implement initiatives that contribute to the social health of the Village and its' residents.
		3-3.	Implement initiatives that contribute to the environmental health of the Village and its' residents.
Customers	Enhance communication with citizens, employees and other stakeholders.	4-1.	Implement new tools to maximize communication with citizens.
		4-2.	Implement new tools to communication with community stakeholders.
		4-3.	Implement a comprehensive communication plan.



Strategic Implication for HR

- **Employee total compensation cost increases must be controlled very tightly**
- **Emphasizing performance in any pay awards**
- **With significant attention to internal equity (i.e., protective service vs. everyone else)**

New Pay Plan Adopted in 2015

- **In general, balanced internal consistency with market competitiveness**
- **Consistent pay plan for all covered staff**
 - **Excluded protective service, which is 52% of Village's total cash comp**
- **Supports and emphasizes performance management**

Internal Consistency – Job Evaluation

- **Evaluations based on documentation**
- **Five factors**
 - Education & required experience
 - Decision-making
 - Thinking challenges
 - Communications
 - Working conditions
- **Objective analysis and application**
 - Internal review and adjustments
- **Appeals after adoption**

Village Adopted a Combination Plan

- **Spread of 137%**
 - Minimum = 87.5% of C/P
 - Maximum = 120% of C/P
- **Steps over 5 years to Control Point**
 - Step = 2.5% of C/P
- **Use merit between Control Point and Maximum**
 - Like with Open range plan
- **When increase structure, increase steps**

Implementation

- **Employees below minimum brought to minimum**
 - Can be phased in if necessary due to costs
 - For example, not to exceed \$5,000 per year until fully implemented
- **Employees within range**
 - To step if below Control Point
 - To Merit Range if C/P to Max
- **Employees at or > Max, frozen**

Current Status

- **Overall compa-ratio = 109.1%**
 - 6 employees are < Control Point and moving through steps
 - 18 employees are in the PFP zone
 - 9 are "red-circled"
- **Average annual salary = \$54,300**

Data Comparison: Village of Weston & Kaiser Family Foundation Data

Plan Type	Family Premium	Employer % Contribution	Employer Annual Cost	Employee Annual Cost
Village of Weston - PPO Plan	\$13,408	85.0%	\$11,397	\$2,011

KFF Data for PPO Plans:

National Average (Plan Type)	\$17,328	71.0%	\$12,300	\$5,028
State/Local Government	\$15,804	72.0%	\$11,376	\$4,428
Midwest	\$17,844	74.0%	\$13,200	\$4,644

Plan Type	Single Premium	Employer % Contribution	Employer Annual Cost	Employee Annual Cost
Village of Weston - PPO Plan	\$5,363	85.0%	\$4,559	\$804

KFF Data for PPO Plans:

National Average (Plan Type)	\$6,216	81.0%	\$5,040	\$1,176
State/Local Government	\$6,360	86.0%	\$5,472	\$888
Midwest	\$6,456	81.0%	\$5,232	\$1,224

Sources:

* Kaiser Family Foundation 2014 Employer Health Benefits Survey

Current Employee Development Initiatives

- **Assisting managers to improve evaluation**
 - Tools
 - Process
- **Gallup Strengths Management tools to develop skills**
- **Measuring engagement using Gallup Q12**



Your Company Engagement Survey | Your Group

Percentile Range in Gallup Database ■ <33 | ■ 33-66 | ■ >66
* Here data not shown if sample size is less than 4. Workgroup data not shown to protect confidentiality.

EXAMPLE: NOT WESTON



Observations

- Village is doing all the right things
 - You have a strategic plan
 - General government HR management is following the plan
- Keys to success will be
 - Continuing to improve management skills
 - Making hard choices based on priorities
 - * Managing service expectations to control expenses
 - * Increasing revenue